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Evidence Set, per BRANCHES public
law center <http://www.globalscoop.net> Case # 2788-D

*In pro per Claimant and Plaintiff group requesting Court
Appointed legal counsel or the provision of contingency litigators
or deferral fee litigators*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re : Chapter 11
Gawker Media LLC, *et al.*,¹ : Case No. 16-11700 (SMB)
Debtors. : (Jointly Administered)
-----X

**PLEADING FOR COURT AFFIRMATION, OR DENIAL, OF CHARGES BY RENOWN
THIRD PARTIES THAT GAWKER IS “PART OF A GLOBAL MONEY LAUNDERING
OPERATION”**

PLEASE TAKE NOTICE That XP Vehicles has a concurrent related legal case and charges under-
way against Gawker’s partner: Google, Inc/YouTube/Alphabet (who are all the same overall entity).

PLEASE TAKE NOTICE That XP Vehicles has concurrent cases against the U.S. Department of
Energy and Senior Officials of the U.S. Department of Energy in which the U.S. Courts have confirmed
in writing that XP was targeted by corrupt public officials and wherein those corrupt officials were
terminated.

PLEASE TAKE NOTICE That XP sued In-Q-Tel for corruption, in which case the CIA denied that
IN-Q-Tel was a part of the CIA and referred to In-Q-Tel as a “rogue operative”.

PLEASE TAKE NOTICE that all of the above Defendants are financially, operationally, beneficiary
and controlling orders connected to this same case and in the course of those investigations former
employees of Defendants made assertions regarding the activities of Gawker Media.

¹ The last four digits of the taxpayer identification number of the debtors are: Gawker Media LLC (0492); Gawker
Media Group, Inc. (3231); and Gawker Hungary Kft. (f/k/a Kinja Kft.) (5056). Gawker Media LLC and Gawker
Media Group, Inc.’s mailing addresses are c/o Opportune LLP, Attn: William D. Holden, Chief Restructuring
Officer, 10 East 53rd Street, 33rd Floor, New York, NY 10022. Gawker Hungary Kft.’s mailing address is c/o
Opportune LLP, Attn: William D. Holden, 10 East 53rd Street, 33rd Floor, New York, NY 10022.

PLEASE TAKE NOTICE That recent reports by FireEye, Wordfence Security, DIA, CENTCOM, and major investigative publications have recently noted that Gawker's Eastern Bloc offices are less than a days drive from the largest internet attack center in the world in the Ukraine per previous filings in this case . Some of those parties have documented communications between the two networks associated with each, and the largest attacks from the Ukrainian buildings launching the attacks have been against media entities who are in conflict with Gawker Media and the Gawker Media related Cartel.

PLEASE TAKE NOTICE That other creditor/plaintiffs in this case have filed assertions and made statements indicating their concern that Gawker Media is a "money laundering operation."

PLEASE TAKE NOTICE that the same parties thought to be involved in larger money laundering efforts are also under investigation by Interpol, the EU and other entities in the HSBC Swiss Leaks and Clinton Foundation investigations.

PLEASE TAKE NOTICE of the article called: **Gawker Accused of Hiding Money in Europe by Hulk Hogan's Lawyers**, by Charlie Nash on 11 Apr 2016:

"Founder and owner of Gawker Media Nick Denton has been accused of hiding money and "playing down the value" of his company after being ordered to pay over \$140 million in damages to former wrestling champion Hulk Hogan.

The blogging network, along with Denton and former editor in chief AJ Daulerio, was ordered to pay Hogan \$140 million after posting a portion of his private sex tape on their main outlet, Gawker.com, in 2012, but the company has been seeking to appeal the court decision ever since.

"Gawker is now beginning the process of challenging the jury's verdict in a trial where key evidence was wrongly withheld and the jury was not properly instructed on the Constitutional standards for newsworthiness... and even if the verdict were to stand, there is no justification for awarding tens of millions of dollars never seen by victims of death and serious injuries," said Gawker in a statement.

The company also claimed that it "would be ruinous" to their business should they have to pay the \$140 million owed to Hogan, declaring Gawker to be worth only \$83 million.

"In my opinion, it's very hypocritical that Mr. Denton continues to cloak himself in the Constitution while it also appears he's expatriating great sums of money to Eastern Europe, potentially to avoid taxation and creditor issues," said Hogan's lawyer to the NY Post.

Hogan's lawyers accuse Denton of hiding this money through "inflating license fees" to a European-based sister company, but Gawker has refused to release the transfer documents that would either confirm or dispute this.

"We emerged victorious once and we plan to do so again," stated Hogan's legal team on the subject of Gawker's appeal. "Of note it is apparent Gawker is unable to accept responsibility for their actions or demonstrate any intention of correcting their behavior."

It was previously reported that only 7% of Americans sided with Gawker in the sex tape trial. 77% of those polled claimed that the outlet's actions were completely "unacceptable."

Charlie Nash is the former editor of the Squid Magazine. You can follow him on Twitter @MrNashington.”

PLEASE TAKE FURTHER NOTICE of the fact that the video documentaries located at

Part 1: <https://youtu.be/xOOlsCWzItI>

Part 2: <https://youtu.be/DMHCtVEnEPg>

Part 3: <https://www.youtube.com/watch?v=9SWpKerMeR8>

and in legal repositories, make a case that Gawker is a money scam and that Gawker’s <http://cink.hu/> staff have had a hand in that

PLEASE TAKE FURTHER NOTICE of <https://archive.is/BZ5l6>

wherein Gawker insiders discuss Gawker’s \$50 Million dollar minimum revenue plan

PLEASE TAKE FURTHER NOTICE of the article called: **Hogan’s Lawyers Think Gawker is Lying About Net Worth to Get Out of Verdict Cost** by [Ethan Ralph](#)

“It looks like Gawker is pulling out every unethical trick in the book to try and get out of paying Hulk Hogan the money he won fair and square in court. They’re also concerned with doing everything possible to avoid paying the \$50 million dollar bond necessary to advance their appeal case. Nick Denton and his thugs are saying the company is only worth \$83 million so that they can get this bond reduced and also to get the judgement against them trimmed down if said appeal ends up failing.

[From The New York Post...](#)

...Denton may try to get out of paying a required \$50 million bond and the final judgment by lying about his and the company’s worth, the documents charge.

Denton, who is Hungarian and British, appears to have hidden millions of dollars in Gawker profits through inflated licensing fees to a Hungary-based sister company, the documents charge...

In a Florida courtroom in March, the jury was told that Gawker is worth only \$83 million, while Denton’s net worth is \$121 million — largely based on his shares in Gawker’s parent company, Gawker Media Group Inc.

GMGI is valued at \$267 million; Denton has a \$117 million portion of it.

Gawker has refused to give up a document called a “transfer pricing study” that would determine whether the fees are inflated, citing lawyer-client privilege, according to court papers.

Gawker has claimed that the \$140 million jury award would be “ruinous” to its business, in a bid to get the judge to slash the amount to less than \$2 million.

Yet its own pitch book for investors reveals a rosier future: Gawker’s growth plan is to increase its operating income from \$6.7 million in 2014 to \$43 million in 2019.

I know you all are as stunned as I am that the Cayman Islands loving Denton would try to use every unethical trick in the playbook to avoid paying out a hefty sum to Hogan and his attorneys. Honestly, I could understand reducing the verdict, even though I don't agree with that outcome. But lowering it down to \$2 million is just plain laughable. It's almost as funny as the fuzzy math they're using to come up with the \$83 million valuation. They can't help but lie when the truth would most likely help them more in this case. If Team Hogan end up proving this then Gawker is going to be in an even worse position that they were before...."

PLEASE TAKE FURTHER NOTICE that a FORTUNE MAGAZINE article **By Jeff John Roberts** called **Can Tech's Tattle Tycoon Trump Thiel?**, had critical content removed from it's original published form which stated: *that Gawker "began moving to protect its assets" in 2013 and "paid out most of its profits from its Hungarian subsidiary in a massive dividend to shareholders."* *That statement came from publicly available financial documents that showed a \$4.6 million dividend. Documents later provided by Gawker, which stated that Gawker "emptied its piggy bank well before a judge ruled in favor of Hogan," has been removed from the current onkline version of this article after what Fortune editors described as "severe threats" by Gawker. The Denton family trust in Greenmount Creek and ownership of Gawker has not been fulling described to this Court or to the Creditors and Plaintiffs per FBI and Treasuring insiders. The current,after-edits-article follows:*

"Gawker media founder Nick Denton used dotcom money to build one of the tech industry's biggest critics. At war with investor Peter Thiel, and facing bankruptcy, Denton may yet steal a page from Silicon Valley's tax masters to have the last laugh.

Nick Denton stared at the six jurors before him and prepared for the worst. They had a choice: side with Denton, an English entrepreneur-turned-New York blog baron, or Terry Bollea, the American wrestling icon known as Hulk Hogan. Over the years Denton had built his small but influential company, Gawker Media, on the backs of countless reports that needled Hollywood celebrities, professional athletes, and Silicon Valley entrepreneurs. But when Gawker's namesake website in 2012 published a grainy sex video featuring Hogan, the self-proclaimed "gossip merchant" went a bridge too far. Hogan sued in his hometown court in Florida, secretly backed along the way by [PayPal PYPL](#) 0.56% cofounder Peter Thiel. And Thiel was willing to spend millions to show that subjects of Gawker Media's scrutiny could fight back and drive Denton out of business.

In the courtroom, the foreman stood up and delivered a judicial body slam: a \$115 million award in favor of Hogan. Three days later, on March 21, jurors tacked on another \$25 million in punitive damages. (Gawker has appealed.) The sum was enough to force Gawker Media, and Denton, into bankruptcy. Thiel, an iconoclast who once described Gawker's Valleywag website as "the Silicon Valley equivalent of Al Qaeda," had won. A billionaire tech entrepreneur had managed to crush one of his industry's most persistent critics.

Or so it seemed. A *Fortune* investigation into Gawker Media's finances reveals that though Denton is down, he is not out. As the company's websites assailed tech giants like [Alphabet GOOGL](#) 0.29% , [Apple AAPL](#) 0.39% , and Facebook [FB](#) 0.14% for byzantine schemes meant to reduce their tax burden,

Gawker Media quietly played the same game. Our investigation reveals that Denton is as much a creature of the tech industry as he is a critic—and that Gawker’s slippery but legal tactics may, in the end, help Denton survive Thiel’s crusade with funds to spare.

Denton founded Gawker Media in New York City in 2002. In the late 1990s the former *Financial Times* journalist reported on Silicon Valley before quitting the paper to start his own Internet venture in the go-go days before the dotcom crash. His efforts—among them the news-aggregation company Moreover Technologies, which sold for \$30 million to VeriSign [VRSN](#) 0.28% in 2005—gave Denton the funds he needed to explore the nascent format known as the weblog. In July 2002 he launched Gizmodo, Gawker Media’s first blog, focused on gadgets. Gawker.com, which traded in media industry gossip, was launched the following year.

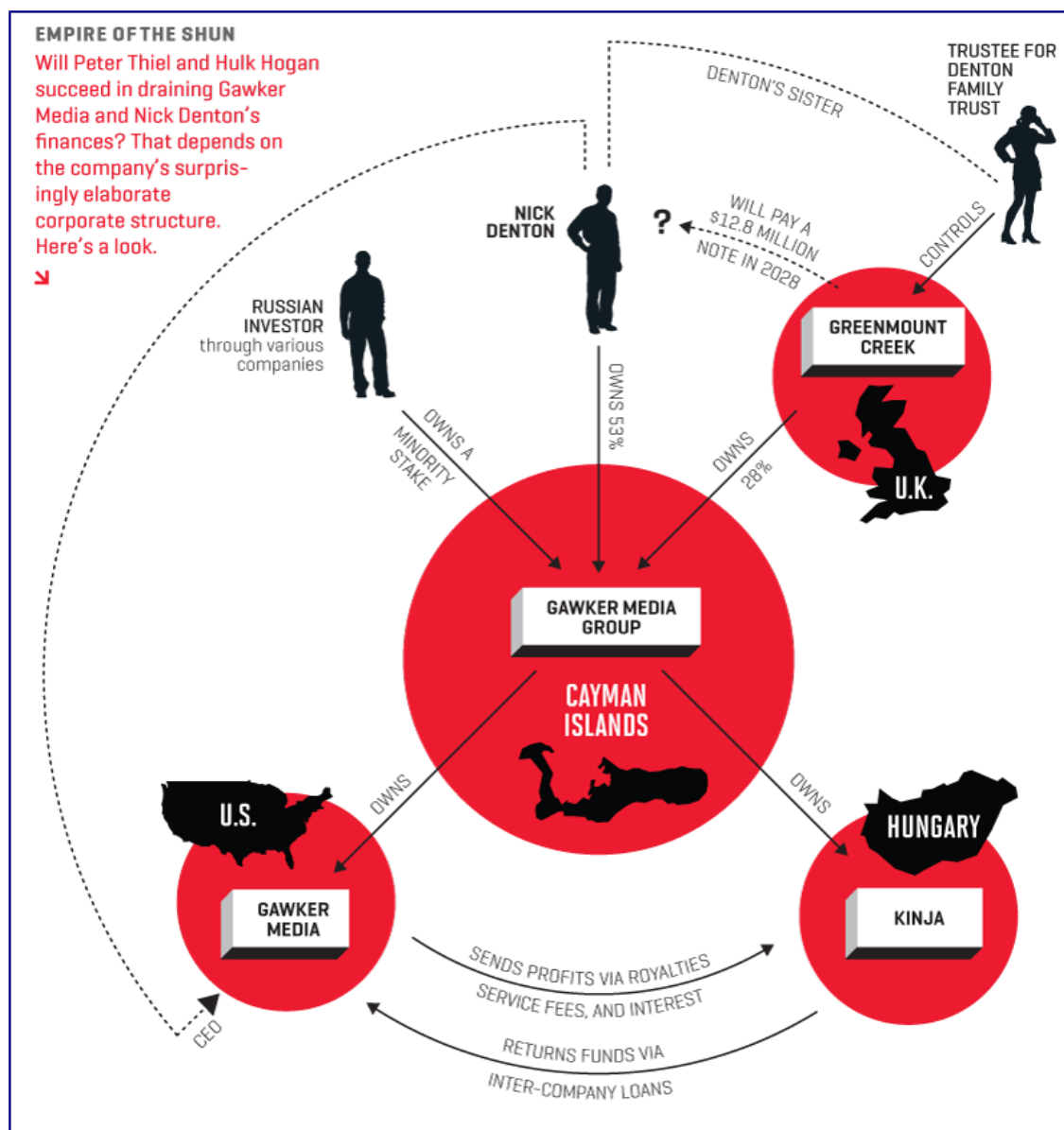
A Farewell to Charms: Silicon Valley investor Peter Thiel (left) and Gawker Media founder Nick Denton disagree on the line between privacy and public interest. Thiel: Art Streiber—August; Denton: Benedict Evans—Redux

From its earliest days, Denton ran Gawker Media like a technology startup. His move-fast-and-break-things ethos applied to products—sites were launched and shuttered in rapid succession—and people, who were hired and fired with abandon. The company built (and rebuilt) its proprietary publishing system and later tried to license it to other media companies. In a bid for radical transparency, its editors regularly published internal memos and sniped with one another (and Denton) in the comments beneath articles. Gawker Media cultivated the bombastic sense of mission and the naked self-interest that are hallmarks of Silicon Valley, adopting a clicks-at-all-costs approach that vilified those in power. (Denton declined to comment for this story.)

Gawker’s tactics occasionally landed the company in ethically dubious territory where it pursued titillation over relevance. A former staffer who declined to be identified for fear of reprisal described a “Just publish it” newsroom culture that actively discouraged legal review of stories about sensitive issues. Gawker’s moral low point was its 2015 publication of a story about a married Condé Nast executive seeking to arrange a tryst with a gay escort; under fire, it unpublished the story the following day.

Gawker’s headlines demonstrate how its publications always went for the jugular. “Sean Parker’s Wedding Was So Horrible He Has to Make an Apology App,” from a 2014 Valleywag post, needles the well-known Facebook investor. “I Read 10 Years of Jack Dorsey’s Tweets, These Are the Worst” cries a 2016 headline on Gizmodo about the Twitter and Square CEO. And then there’s “Why We Hate Rich Geeks,” a 2013 post penned by Denton himself.

Given his familiarity with the technology industry, Denton’s criticisms of its moguls could be especially pointed. “Tax breaks for the rich,” he wrote in a 2007 post decrying an arrangement in which Google received favorable tax treatment when it opened a data center in a poor county in North Carolina. “It is a reminder that the stock-option-rich executive class is taxed at about half the rate of the wage slaves,” Denton wrote in 2010, deriding the salary structures of Silicon Valley executives. “That’s grotesque.”



But even as Gawker Media railed against such tactics, it adopted some of them. The most common method, used by tech giants like Uber and Apple [AAPL](#) 0.39% , lets a company shovel its profits offshore in order to defer paying U.S. corporate tax. Gawker took that idea one step further—for the lion's share of its profits, it didn't just defer its U.S. taxes, but eliminated them altogether.

When Denton started Gawker Media 14 years ago, it was a U.S. taxpayer just like any other American small business. Its headquarters were in downtown Manhattan; its employees were mostly local. Today Gawker Media still operates primarily from New York City offices—it also has an office in Budapest—but it is now a Cayman Islands–based holding company with two subsidiaries: one in the U.S., one in Hungary. (Denton speaks Hungarian and has ancestral ties to the nation. The country also has highly favorable corporate tax policies.) For clarity, we'll call the combined operation—U.S., Hungary, Cayman Islands—Gawker Global. According to various financial documents—among them U.S. tax returns, disclosures from Hungary, and documents released by the company in and out of court—Gawker Global used three tactics to reduce its U.S. tax burden.

The most common involves royalties. The overseas arm of a company bills its U.S. operation for licensing its intellectual property, such as website code or corporate trademarks. The arrangement allows the company to reduce its U.S. tax burden because there are fewer profits to tax. Gawker adopted this mechanism.

Gawker Global saved even more on taxes by outsourcing some of its U.S. functions—“editorial services,” “content creation services,” and others, according to bankruptcy filings—to its Hungarian subsidiary. Hungary would provide the U.S. with those services in exchange for substantial service fees, which counted as a cost against the U.S. subsidiary.

Lastly, as the legal costs of fighting the Hulk Hogan lawsuit piled up, Gawker Global raised the service fees and royalties that its U.S. arm was paying to its Hungarian arm—from \$6.7 million in 2013 to \$8 million in 2014—and immediately loaned the funds back to the U.S. with interest. That interest represents additional Gawker Global profit leaving the U.S.

Illustration by Emmanuel Polanco for Fortune

Between 2010 and 2015, Gawker Global tallied more than \$200 million in revenue and \$59 million in profit, according to various financial records. Just 20% of Gawker Global’s profits were taxed in the U.S.; 80% escaped the clutches of the IRS. Of the total, 55% were U.S. profits diverted to Hungary, and 25% were profits that never entered the U.S. and were recorded in Hungary. Gawker’s U.S. tax rate during this period was 34%; its average tax rate in Hungary was 5%. With this scheme, Gawker Global managed to retain 29% of profits that it would have lost if it had reported the entire sum in the U.S.

Heather Dietrick, president of Gawker Media, defends the company’s profit parking. The company really does have an overseas tech operation of more than a dozen developers, she says, and the license payments are legitimate.

Meanwhile Gawker’s noisy editorial operation flourished as it skewered the rich and powerful, including corporate tax dodgers, with headlines like “Apple Avoided Paying Billions in Taxes” and “Airbnb, Just Pay Your Taxes and Follow the Law and Shut Up.”

The hypocrisy was not lost on Gawker’s employees. One former staffer says they used to joke frequently about how the company paid no taxes. (The ex-employee, like several others contacted for this article, declined to be identified for fear of reprisal.)

In Pursuit of a Bully Pulpit



Vivek Shah, CEO, Ziff Davis
Andrew Toth—
Getty Images
Randy Falco, President and
CEO, Univision Communications
Jim Spellman
—Wireimage/Getty Images

Peter Thiel described Gawker Media as a
“singular terrible bully” among media

companies as justification for his war against the company. But two mainstream media outlets entered bids in pursuit of Gawker's young audience of 64 million monthly U.S. readers. With a \$135 million offer, Univision topped Ziff Davis's \$90 million stalking-horse bid in August.

Others were ambivalent. Choire Sicha, who edited Gawker.com from 2003 to 2004 and owns less than 1% of the company, viewed it as a strategy befitting a startup. "Gawker was a standalone independent media company in an age where there were very few," he says. "I can see how stealing an idea [about taxes] from larger companies made a ton of sense." He also described Denton as "sweet" for offering employees stock in lieu of bonuses and holding internal shareholder meetings that allowed staff to question him as they would any other corporate executive.

Owen Thomas, who edited Valleywag from 2007 to 2009 and owns a tiny amount of Gawker shares, also defended Denton. The company's willingness to reinvest its profits in technology development helped it survive at a time when the media industry as a whole was turning into a financial dumpster fire, he says. "In an age when most publications are dependent on Facebook and Twitter [TWTR](#) -1.32% , it gives you a way to own your own destiny."

In May, Denton published an open letter to Peter Thiel, asking the entrepreneur to lay his financial weapons down and opt for a "more constructive exchange" than the Hogan case.

"Even were you to succeed in bankrupting Gawker Media, the writers you dislike, and me, just think what it will mean," Denton wrote. "The world is already uncomfortable with the unaccountable power of the billionaire class, the accumulation of wealth in Silicon Valley, and technology's influence over the media."

It made little difference. In August, Denton declared personal bankruptcy to shield himself after a Florida court ruled that Hogan did not have to wait until appeal to begin collection efforts. (According to the verdict, Gawker Media must pay \$130 million, and Denton, who owes \$10 million in his own right, is on the hook if the company can't pay.) Among the assets set against the \$140 million liability: Denton's monochromatic SoHo apartment, which long served as the backdrop for parties for Manhattan's media elite.

If Denton had any regrets about Gawker Media's style of journalism, he didn't express them at the company's farewell party in New York in August. Clutching a glass of red wine and looking weary, Denton praised his employees and the "say anything" publishing culture that Gawker pioneered. He received a standing ovation from an audience of about 200 people, mostly former staffers. In expletive-laden remarks that followed, John Cook, executive editor of Gawker.com, called out "wealthy billionaires." The audience roared with approval.

But one of those wealthy billionaires, Thiel, retains the upper hand. He shrewdly pinned Denton in the legal swamps of Florida state court, where jurors valued privacy over freedom of the press. (Thiel declined to comment for this story.) And he won't stop there. Five days after Gawker's farewell fete, the investor wrote in a *New York Times* op-ed that Gawker had "outed" him in 2007. (The headline: "Peter Thiel Is Totally Gay, People." The author: Owen Thomas, who is also gay, as is Denton.)

Young and Hungary: Denton at Gawker Media offices in Budapest in 2013. The company's Hungarian subsidiary serves a key role in how it reduces its U.S. tax burden. Akos Stiller—The New York Times/Redux

"I am proud to have contributed financial support to [Hogan's] case," Thiel wrote. "I will support him until his final victory ... and I would gladly support someone else in the same position."

So who will get the money? David Houston, an attorney for Hogan, says he will not let Denton wriggle away through legal dodges or overseas cash structures. "We will pursue Mr. Bollea's judgment to collect every dime to which Mr. Bollea is entitled," he says. "This will include but not be limited to any funds expatriated or otherwise secreted or transferred in any fashion. Rest assured we will take all necessary steps to secure Mr. Bollea's interest in his judgment in any lawful manner."

It won't be easy. First, the \$135 million generated from the sale of Gawker Media's assets to Univision in August will go into a fund overseen by the bankruptcy court. Secured creditors, including Silicon Valley Bank, will be paid about \$22 million—but then the rest will sit there until the appeal is sorted out.

As for the case itself, according to media lawyer Ed Klaris, "bad facts made bad law," and so it may be difficult to overturn on the merits. But if the court does not throw the verdict out entirely, he says, it will almost certainly slash the amount Hogan was awarded.

And then there are the other claimants in Gawker's Chapter 11 to consider—including the shareholders, who are typically wiped out in an ordinary bankruptcy. Among them is Russian investor Viktor Vekselberg, who arranged a \$15 million secured loan to the Cayman company in January in exchange for preferred shares, according to bankruptcy filings. He will probably be paid following the August sale of Gawker's assets.

The only other significant shareholders of Gawker Media are Denton (53% of common stock) and a British holding company called Greenmount Creek, which came to own 28% of the entire operation, according to bankruptcy filings. The U.K. firm was created in 2013 by a tax lawyer with ties to Denton and is currently controlled by the Denton family trust, for which Denton's sister, Rebecca Denton, serves as trustee.

Greenmount Creek may hold the key to Denton's eventual triumph. The holding company is obliged to pay an unsecured note that will be worth \$12.8 million, tax-free, in 15 years. The mechanism seems to be designed to shield assets, conceal ownership, and pay out at the end of that period. But to whom? It's a bit of a mystery—one involving millions of dollars of overseas money, a bold startup, and a millionaire founder who plays by his own rules. Exactly the sort of scenario, in other words, that Denton delights in exposing. (A Gawker spokesman says the Denton family trust was created in 2010 and that Gawker shares were transferred to the children of Rebecca Denton at that time, "so there really is no mystery at all.")

When *Fortune* reached out to Denton to discuss the note and his views on U.S. tax avoidance, he politely referred us to Dietrick, writing in a Twitter direct message that he really wasn't in a position to discuss it.

As it turns out, there are some things the man who talks about everything just doesn't talk about..."

PLEASE TAKE NOTICE that evidence has now been provided to the Court and law enforcement proving that Gawker is part of a political and business manipulation organization which operates in violation of RICO, Securities, Tax Evasion, Anti-trust and Cyber-Bully laws. In this pleading, on behalf of all Plaintiffs, XP requests that the Court issues a formal determination about whether or not Gawker Media is a Money Laundering Operation.

PLEASE TAKE FURTHER NOTICE that Gawker Media ran multiple hit-jobs on XP in order to harm XP and XP's staff in order to punish them for competing with Tesla's and Solyndra's Afghan lithium and indium multi-trillion dollar mining scam and to try to diminish XP if a Special Prosecutor could have been moved into place in the Obama Administration. GAWKER MEDIA IS A HIRED CHARACTER ASSASSINATION SERVICE THAT CREATES FAKE NEWS AND CONTROLS REPERCUSSION INTERNET MEDIA MANIPULATION INFORMATION ENGINES!

PLEASE TAKE FURTHER NOTICE that copies of any motions scheduled for hearing on the omnibus dates may be obtained free of charge by visiting the website of the Debtors' claims and noticing agent, Prime Clerk LLC, at <https://cases.primeclerk.com/gawker>. You may also obtain copies of any pleadings by visiting the Court's website at <http://nysb.uscourts.gov> in accordance with the procedures and fees set forth therein. You may also obtain copies of non-classified evidence for this case at <http://www.globalscoop.net> Case # 2788-D in folders # A-1 through A-50.

PROOF OF SERVICE

Plaintiffs group hereby certifies that on this date we caused this filing to be served via a true and correct copy of the foregoing by causing copies of same to be served on all counsel of record, all known creditors, federal law enforcement liaisons and on the U.S. Trustee for the Southern District of New York, Region 2, by electronic filing same via electronically traced and tracked digital networking and using the Prime Clerk case system and the Judge's office electronic filing system.

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